

Title 6: Economic Development

Part 1: Financial Resources

Part 1 Chapter 17: Mississippi Rail Grant Program

Rule 1.1 Purpose. The Mississippi Rail Grant Program (RAIL), as authorized and codified in the Mississippi Railroad Improvements Fund -- Miss. Code Ann. §57-46-1 (Rev. 2014) -- and administered by the Mississippi Development Authority (MDA), is designed for making grants to railroads ("Applicant") to finance projects to promote economic growth in the State of Mississippi ("State"). Funding for grants to Applicant is derived from appropriations or funds otherwise made available by the State Legislature.

Miss. Code Ann. §57-46-1 (Rev. 2014).

Rule 1.2 Eligible Applicants. Any entity owning or operating a rail line in Mississippi that wishes to apply for a grant must submit an application to MDA. An eligible applicant is defined as follows:

- A. Regional Rail Authority – a publically owned entity established to provide rail service for a defined region within the state.
- B. Privately Owned Rail Service Provider – a company that owns or operates a rail line in Mississippi that provides rail service within the state.

Miss. Code Ann. §57-46-1 (Rev. 2014).

Rule 1.3 Eligible Projects. Eligible projects shall have a direct connection to economic development or aid in the creation of jobs. Eligible projects must identify specific repairs or improvements to a line that would make the line more competitive when providing services to industry in Mississippi.

Miss. Code Ann. §57-46-1 (Rev. 2014).

Rule 1.4 Key Points. RAIL funds may not be used for working capital, for general expenditures, which would normally be covered under an applicant's general operation budget, or for administrative expenses.

- A. A limited amount of funds may be used for engineering/architectural cost. The amount of these professional services will be limited to an amount not to exceed 10% of the RAIL grant award amount.
- B. The RAIL Program is a competitive program.
- C. All funds awarded must be spent for improvements within the scope of the original project description as stated in the grant application.
- D. Additionally, if grant recipients complete their project for less than the grant amount awarded, the excess funds can be requested for additional project work as long as there is no change from the scope of the original project.

- E. In no case, however, will an approved applicant be allowed to use excess grant funds to pay for project costs that vary from the original project description.
- F. All requested changes and variances from the original application should be made in writing and will be reviewed by MDA on a case-by-case basis.

Miss. Code Ann. §57-46-1 (Rev. 2014).

Rule 1.5 How to Apply for the Program. To apply for the Rail Grant Program, a completed application that is submitted by an Applicant must include:

- A. Purpose of the proposed grant including a list of eligible items and the cost of each; The estimated cost of the total project, a description of the Applicant's investment in the project, and all public or private sources of funding that have been secured and that will be utilized exclusively for the project;
- B. Time schedule for implementation and completion of the project, evidencing an expeditious completion of the project;
- C. A statement that the specific improvements are necessary for economic development or job creation;
- D. Engineering documentation; (Must be on the engineer's letterhead, with his stamp/seal and signature)
- E. Current employment levels at the project site and estimated increase, if any, as a result of financing the project;
- F. One (1) copy of the application must be submitted to the Financial Resources Division of MDA, Rail Grant Program, Post Office Box 849, Jackson, Mississippi 39205 or hand-delivered to the 15th floor of the Woolfolk Office Building.

Miss. Code Ann. §57-46-1 (Rev. 2014).

Rule 1.6 General Grant Terms.

- A. The program intent is to stimulate growth and economic development through rail transportation infrastructure in the State.
- B. The amount of each grant awarded will be based on the applicant's ability to participate in the project, the degree of need for the improvements, the lack of availability of other funding sources, the timeframe required to perform the improvements, the economic impact of the project on the community, and other criteria MDA develops.
- C. Each application will be evaluated on its own merit to meet the intent of the program.
- D. Each applicant must certify that they will perform standard maintenance and continue operations with reasonable customer pricing for a minimum of three years after the project is completed.
- E. In the event that the line is sold during the first three (3) years after the date of the final disbursement, the grant must be repaid to the State.
- F. **A minimum match of 50% is required for Class 1 lines, and a 25% match is required for all other lines.**
- G. Failure to comply with Grant terms may result in repayment of grant funds.

H. A deadline for applications will be published by MDA each calendar year.

Miss. Code Ann. §57-46-1 (Rev. 2014).

Rule 1.7 Conditions for Disbursement of Funds. A Memorandum of Understanding will be executed between the Applicant and MDA.

Miss. Code Ann. §57-46-1 (Rev. 2014).

Rule 1.8 Reimbursement Process.

- A. MDA will release RAIL program funds on a reimbursement basis for approved eligible costs of the project as incurred.
- B. The Applicant shall certify to MDA during construction that the expenses were incurred and were in accordance with the plans and application approved by MDA.
- C. Funds will be released upon receipt of the RAIL Program Form of Requisition and supporting documentation from the Applicant.
- D. Funds may only be drawn down once a month.
- E. Applicants have two (2) years from the date of the Memorandum of Understanding to request reimbursement for RAIL project costs.

Miss. Code Ann. §57-46-1 (Rev. 2014).

Rule 1.9 Additional Information. Program inquires and applications should be directed to:

- A. Mississippi Development Authority
Financial Resources Division
Post Office Box 849
Jackson, Mississippi 39205
Telephone: (601) 359-2415 ~ Fax: (601) 359-3619
- B. These guidelines may be amended by MDA at any time. MDA, in its discretion, may temporarily waive any requirement of the guidelines to the extent that the result of such action is to promote the public purpose of the Act and is not prohibited by State law.

Miss. Code Ann. §57-46-1 (Rev. 2014).